

Rhode Island Public Transit Authority

Joint Pension Board

Minutes of the May 19, 2008 Meeting (Corrected)

Joint Pension Board Members Present: Stephen Farrell, Chairperson, Tom Deller, Robert Batting, William Kennedy, Kevin Millea, and Christine Johnston.

Also Present: Alfred J. Moscola, General Manager; Lori Caron Silveira, Esq., Outside General Counsel; Andrew Prescott, Outside Labor Counsel; Henry Kinch; Maureen Neira; Deborah Dawson; Ellen Mandly and members of the RIPTA staff and the general public.

Agenda Item 1: Approval of Minutes of April 7, 2008 Monthly Meeting

Mr. Farrell asked if the JPB members had an opportunity to review the minutes of the April 7, 2008 meeting. Ms. Johnston moved to approve the minutes as presented. The motion was seconded by Mr. Kennedy and passed unanimously.

Agenda Item 2: Convene as Pension Sub-Committee/Consideration of Benefits Requests

The following benefits' requests were considered by the sub-committee:

· Consideration of Benefits' Requests – Division 618/618A

o JPB Action: James Gibbons – Active Employee – Age 65

Request for Late Pension effective 4/1/08 - \$2,089.32

o JPB Action: Carol Clark – Former Employee – Age 55

Request for Early Pension effective 5/1/08 - \$164.68

Mr. Farrell asked Ms. Dawson to explain the benefits' requests. She explained that they were routine in nature, and advised the JPB that Ms. Clark is already collecting a pension as an early retiree from benefits she accrued while part of the salaried plan, and this request is for her remaining benefits that were accrued while she was part of the hourly plan.

Ms. Dawson pointed out that Mr. Gibbons' retirement was a late retirement, and informed the JPB members that he was an exemplary employee. Mr. Farrell fully agreed with such assessment and stated that Mr. Gibbons would be missed by many at RIPTA.

The sub-committee comprised of Tom Deller and Kevin Millea concurred approval of Mr. Gibbons' request, and the sub-committee

comprised of Tom Deller and Christine Johnston concurred approval of Ms. Clark's request.

**Agenda Item 3: JPB Information: Prudential Retirement Correspondence
Exhibits 1 and 2**

Maureen Neira reviewed the two exhibits with the JPB, reminding them that at the April 7th meeting, a motion was approved to transfer the assets held in Cohen and Steers to American Century. Ms. Johnston mentioned that American Century had been placed on a watch list. Stephen Farrell, JPB Chairperson, sent a memo to JPB members informing them of the situation involving American Century, deferring the transfer of funds as approved by the JPB. In such memo, Mr. Farrell instructed Ms. Neira to request alternative options from Mr. Guzman.

Mr. Guzman responded to such request, which was included in the JPB package as Exhibit 3.

Agenda Item 4: JPB Information/Action: Asset Allocation Change (Exhibit 3)

The discussion moved to the next agenda item, which was the

consideration of the investment options. The JPB reviewed the information submitted by Mr. Guzman, and Mr. Batting stated that he questions the stability of the investment manager. He continued that the investment manager submitted a recommendation for a change, and then the fund goes on to the watch list. He cited an article from the NY Times regarding Prudential shifting the assets of their employees' retirement funds.

Mr. Batting continued that he would like to be sure that RIPTA is getting the financial advice they need for the fees being paid to Prudential. He requested that Mr. Guzman come back to meet with the JPB to address exactly what Prudential is doing in terms of RIPTA's account and how that compares to what Prudential is doing in relation to their own employees.

Mr. Kennedy suggested that the JPB not rush into another investment option, continuing that he agreed with having Mr. Guzman back in to meet with the JPB. Mr. Kennedy informed those present that in the past, the plan had no money, and is significantly improved, citing that steps have been taken in the right direction.

Mr. Kennedy moves to have Lazaro Guzman come to the June JPB Meeting. Such motion is seconded by Ms. Johnston.

Mr. Farrell called for discussion on the motion, and reminded the JPB that the only reason Cohen and Steers is on the watch list is due to

the fact that there was a change in fund managers.

Mr. Batting clarified the questions that should be posed to Mr. Guzman for the next meeting as (1) Mr. Guzman should be prepared to respond to the recommendations he has made, and should be able to discuss other options, and (2) Is his advice to RIPTA's JPB consistent with the actions being taken at Prudential for their employees.

The JPB members agreed upon the questions for Mr. Guzman, and the motion passed unanimously.

Mr. Deller then made a motion that the reallocation of the assets from Cohen and Steers to American Century be continued until the JPB has had the opportunity to discuss the transfer with Mr. Guzman. Such motion was seconded by Mr. Kennedy, and passed unanimously.

Agenda Item 5: Adjournment

A motion to adjourn was made by Ms. Johnston and seconded by Mr. Kennedy. Such motion passed unanimously and the meeting was adjourned.

Respectfully submitted,

Deborah A. Dawson, SPHR

AGM Human Resources/Chief of Staff